

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking Regarding
Policies, Procedures and Rules for the
California Solar Initiative, the Self-Generation
Incentive Program and Other Distributed
Generation Issues.

Rulemaking 12-11-005
(Filed November 8, 2012)

**REPLY COMMENTS OF THE
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON ASSIGNED COMMISSIONER'S RULING ON SB 861 COMPLIANCE AND
REVIEW OF SELF-GENERATION INCENTIVE PROGRAM**

June 9, 2015

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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Reply Comments in response to the Assigned Commissioner's Ruling (ACR) Requesting Comments on Senate Bill (SB) 861 Compliance and Review of Self-Generation Incentive Program (SGIP) issued in this proceeding on April 29, 2015 (April 29 ACR). These Reply Comments are timely filed and served pursuant to the Commission's Rules of Practice and Procedure, the April 29 ACR, and the Administrative Law Judge's (ALJ's) Email Ruling of May 29, 2015, granting an extension to file these Reply Comments to today, June 9, 2015.

**I.
MULTIPLE PARTIES SHARE CEERT'S VIEW THAT SGIP
SHOULD SUPPORT TECHNOLOGIES THAT REDUCE
GHG EMISSIONS AND CRITERIA AIR POLLUTANTS.**

As CEERT stated in its Opening Comments, its primary interest here is to ensure that statutory amendments (SB 861) that are clearly designed to advance technologies that reduce carbon emissions and criteria pollutants, while improving local and system reliability, are appropriately and timely implemented.¹ While CEERT did not take issue with the Program Goals listed in the April 29 ACR, it did urge a priority ranking of those goals, consistent with the express language and intent of SB 861 that make clear that reductions in greenhouse gas (GHG)

¹ CEERT Opening Comments, at pp.

emissions and criteria air pollutants, along with reduction in peak demand, are the priority considerations in undertaking any revisions to SGIP, especially in terms of technology eligibility and incentives. CEERT again observed, as it had in previous comments filed in this proceeding, that these objectives have “added significance given the Governor’s call in 2014 to continue the reduction of ‘carbon pollution’ and to limit ‘the emissions of heat-trapping gases’ beyond the 2020 Climate Change goals set by AB 32.”²

CEERT was not alone in emphasizing this priority ranking of the Program Goals. In its Opening Comments, Pacific Gas and Electric Company (PG&E) urged “that any goals adopted for the SGIP as a result of SB 861 should be prioritized” and that “the SGIP should be designed to primarily support those technologies that reduce GHGs, reduce criteria air pollutants and reduce customer peak demand.”³ In turn, “PG&E believes the SGIP should focus on incentives for technologies that could, either now or in the future, participate in programs designed to accomplish these goals.”⁴ This emphasis on technologies that reduce GHG and criteria air pollutant emissions as top priority goals was also shared by many other parties, who noted the related need to remove barriers to technologies that can advance this goal.⁵

CEERT agrees that the goals and emphasis in any revision of SGIP eligibility or its incentives should prioritize and support those technologies that reduce GHG and criteria air pollutants, along with customer peak demand. CEERT also renews its call in its Opening Comments that, in doing so, the Commission should not consider the “GHG reduction criterion,” separately, but instead should provide for the holistic incorporation of that criterion with other

² CEERT Opening Comments, at pp. 3-4; CEERT Comments on March 27 ACR (April 17, 2015), at p. 2, citing Governor Brown’s Inaugural Address (January 5, 2015) at <http://gov.ca.gov/news.php?id=18828>.

³ PG&E Opening Comments, at p. 3.

⁴ *Id.*

⁵ See, Fuel Cell Energy, Inc. (FCE) Opening Comments, at pp. 6-7; National Fuel Cell Research Center (NFCRC) Opening Comments, at pp. 3-4, 6; Fuel Cell and Hydrogen Energy Association (FCHEA) Opening Comments, at p. 3.

SGIP eligibility criteria considered here to ensure that the goals and purpose of SB 861 are achieved.⁶

**II.
THE COMMISSION SHOULD REJECT CALLS FOR ELIMINATING
TECHNOLOGIES FROM SGIP THAT CONTRIBUTE TO GRID RELIABILITY
AND REDUCE GHG EMISSIONS AND CRITERIA AIR POLLUTANTS.**

Given the importance of advancing technologies that can reduce GHG emissions and criteria air pollutants, while maintaining grid reliability, CEERT was disappointed in, and hopes that it has misread, the Opening Comments filed by the California Solar Energy Industries Association (CalSEIA), the California Energy Storage Association (CESA), and SolarCity Corporation (SolarCity) that are directed at *excluding* all other technologies from SGIP eligibility and incentives other than those each of their associations or companies represent. Thus, CalSEIA, SolarCity, and CESA argue that SGIP incentives should only be extended to renewable energy or storage technologies, while CESA and SolarCity go further to contend that SGIP incentives or eligibility should not continue to be extended to fuel cells, with CESA asserting that only energy storage should remain in the “emerging technology” category.⁷

While CEERT has long advocated for increased reliance on renewable energy and storage, it also recognizes that there remains a great need to reduce unhealthy levels of criteria air pollutants, particularly in economically disadvantaged communities. Fuel cells, unlike natural gas combustion generation, can provide a variety of beneficial grid attributes virtually absent of criteria pollutant emissions. Fuel cells running on onsite biogas and wastewater treatment plant fuel cell project also provide additional benefits that have often been overlooked, including generating electricity from waste methane.

⁶ CEERT Opening Comments, at p. 5.

⁷ CalSEIA Opening Comments, at p. 2; CESA Opening Comments, at pp. 8-10, 17-18; SolarCity Opening Comments, at pp. 9-12.

What these circumstances mean to those, like CEERT, that advocate for the reduction of criteria air pollutants, as well as GHG emissions, is that a balanced portfolio of renewable and ultra-low emission technologies whose attributes can match grid reliability needs and reduce dependence on conventional gas power plants is necessary to achieve these important Climate Change and air quality goals. Given that fuel cells continue to evolve and very much remain an emerging technology, they are as much deserving of incentives as emerging storage or renewable technologies, especially to achieve this needed diversity. Dismissing any of these valuable technologies from SGIP will only diminish this State's ability to achieve its Climate Change and air quality goals and should not be undertaken.

III. CONCLUSION

CEERT again welcomes this opportunity to offer Reply Comments on the Commission's important task of implementing SB 861. CEERT looks forward to continued participation on these issues.

Respectfully submitted,

June 9, 2015

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